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# Latin America Report

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8 August 1983

## LATIN AMERICA REPORT

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REFINERY TO BE CLOSED FOR REPAIRS; SUPPLIES TO BE NORMAL

Managua EL NUEVO DIARIO in Spanish 10 Jun 83 p 8

[Text] The petroleum refinery will not operate for 2 weeks in July, because of repairs which must be done, but there will be normal gasoline supplies available, to be provided by means of a contract that was recently signed with Esso, the general manager of PETRONIC [Nicaraguan Petroleum Agency], Jose Dolores Gamez, reported yesterday.

The PETRONIC manager said that the government will purchase 50,000 barrels of gasoline and 70,000 barrels of diesel fuel from Esso, for which it will pay \$4 million, while the refinery is undergoing these repairs.

The refinery will remain closed for this work during the second 2 weeks of July.

The new head of PETRONIC spoke of the need for a gasoline distribution system, and spoke of what has happened in terms of distribution within the past few days.

Only 13,000 Gallons

Gamez said that in the middle of last year Nicaragua began to receive Mexican petroleum. At that time the refinery was forced to change its production process, which cut production from 15,000 barrels a day to 13,000 barrels per day.

In order to satisfy the national demand, the government now has to import 8,000 barrels of gasoline and 15,000 barrels of diesel fuel per month, spending \$850,000 per month on these purchases, indicated the official.

Gamez said that distribution is a complex problem, as gasoline demand is cyclical, responding to the nation's economic activities.

He also reported that the system to be installed in the refinery should solve the production problem.

There have also been other problems affecting distribution. One such problem is the lack of a study to determine allocations based on different types of activities, priorities to be given the various sectors, and the type of vehicles in Nicaragua. Furthermore, the public is not accustomed to dealing with this sort of distribution system, and the people are not fully aware of the need to save fuel, said Gamez.

On this subject, he mentioned some of the problems which have caused the difficulties affecting the distribution system to get worse, such as allocating more gasoline than is actually available. He said this problem has still not been worked out, but that steps to solve it are now being taken.

He also cited the fact that PETRONIC does not have an organization to deal with this sort of problem.

Nonetheless, he explained that PETRONIC has set some goals for itself: to bring the fuel supply and demand into equilibrium, to keep the distribution system functioning, to strengthen the PETRONIC organization, and to prepare a serious study based on the experience that has now been acquired.

#### Direct Customers

He announced that starting this month [June], direct customers--institutions or businesses that have tanks on their property, and which are supplied directly by the oil companies--will be brought into the distribution system.

He pointed out that there is a strong group of this type of customers, and there have been many requests from businesses which want to be direct customers, and which are trying to keep the amount of gasoline they need on their property.

But, according to Gamez, he does not feel that is an appropriate solution. There should be an overall, and not an individual sort of solution for this problem.

"In addition," added the official, PETRONIC has suspended collection systems that created problems for the users, systems whose efficiency could not be guaranteed by PETRONIC, and which had led to some abuses."

As part of the restructuring and reorganization measures, he announced that the National Reconstruction Government Junta has requested that the central government reduce its gasoline consumption.

In order to make the fuel distribution system more efficient, he said that they are doing a study of the master file of automobiles registered in Nicaragua, with the assistance of the Sandinista Police, in order to determine the status of the existing vehicles. Some of these vehicles have changed ownership, others have been moved to other departments, or have been destroyed in accidents, but are still being allocated their ration of gasoline, causing additional problems with the distribution system.

#### Computerized System Throughout the Country

He added that they are revising forms 1 and 2 and are studying a computerized system to be used on a national basis; at the present time, this system is used only in Managua.

#### Annual Consumption

Annual gasoline consumption throughout Nicaragua is 865,000 barrels, and the consumption of diesel fuel is 1,576,000 barrels a year, reported the head of PETRONIC, Jose Dolores Gamez.

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CSO: 3248/1073

## FIRST UNIT OF MOMOTOMBO GEOTHERMAL PROJECT TO OPEN 19 JULY

Managua BARRICADA in Spanish 12 Jun 83 pp 1, 5

[Excerpts] When the first unit of the Momotombo Geothermal Project begins to operate on 19 July of this year, as a salute in honor of the 4th anniversary of the triumph of the Sandinista Popular Revolution, Nicaragua will then start to save \$15 million a year. This is the money that would have had to be invested in a new hydroelectric power plant to generate energy by using imported fuel.

Located near the Momotombo Volcano and Lake Xolotlan, 80 kilometers from Managua and approximately 15 kilometers from the town of La Paz Centro in the department of Leon, this plant will be able to generate 35 MW (35,000 kW). This is 12 percent of Nicaragua's installed generating capacity.

The geothermal plant, installed in its initial phase for a cost of \$32 million in foreign currency and 10 million cordobas, uses advanced technology and features optimum safety conditions.

#### Steam Extraction

The engineer Ernesto Martinez Tiffer, project director, explained to BARRICADA that in order to obtain steam, five wells have been drilled, all productive. The wells are joined together by metal pipes.

These pipes will carry the steam extracted to a final collector. The steam will then be sent to a machine room, where it will drive the turbine, which will generate energy.

Martinez commented that the workers are working "full steam ahead" in order to complete the physical facilities of the plant before 19 July.



The project director added that even though the five wells are all capable of generating steam, one of them will be kept permanently on reserve, in case there is a problem with one of the other wells.

The four wells that will begin to function on 19 July have the capacity to generate 35 MW of electricity.

Mr Martinez reported that in order to maintain a geothermal equilibrium in the field, water will be separated from the steam extracted. The water will then be reinjected into another three separation wells, and will be returned underground, in order to preserve the process.

#### Conditions

In order to generate geothermal energy, some basic conditions are required. First, there must be a heat source. Nicaragua, because of its volcanic structure, has significant quantities of such heat.

Secondly: there must be a refilling area (from rainfall, lakes, rivers), or waters that filter down under the ground and come into contact with a heat source, so they will later evaporate.

Thirdly: there must be an impermeable layer that does not allow the steam to escape to the surface of the land. And fourthly: a deep well must be drilled, so that the steam can be released in order to generate energy.

The use of geophysical investigations throughout the entire area minimizes the risks inherent in investment, and enables the exploration to be conducted with a slighter possibility of error.

Mr Martinez said that the construction of this first unit will allow the investment to be recovered before it has been in operation for 5 years.

At the present time, the following hydroelectric plants are operating in Nicaragua: one in Managua with three units (two of 15 MW and one of 45 MW; the Carlos Fonseca and the Central-American Plant, each of 50 MW; the Nicaragua Plant, with two units of 50 MW; and the Chinandega plant, of 15 MW.

Mr Martinez said that geothermal plants have some advantages over hydroelectric plants, as the operation of a geothermal plant does not stop or slow down.

#### Testing

The engineer Alfonso Torrez, who is in charge of the mechanical area, said that the entire unit will be tested next week.

A three-story building houses the control room, turbines, alternators, cooling towers, switches, and transformers, which are to undergo testing.

The entire operation of the unit will be monitored from a huge central control panel, which will show any incidents affecting the system, from the time the steam leaves the well until it reaches the plant generating energy.

Because of the modern technology used, in a matter of seconds any defect can be detected by means of an electronic device which will memorize the process step by step.

The plant will also use a system to purify all used water (from drainage or sewage, water containing chemical wastes, etc.) so it can be returned to the lake free from pollutants.

This complex unit will be operated by about 12 people and 50 maintenance workers who will be responsible for keeping the machinery running in optimum condition.

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CSO: 3248/1073

## BRIEFS

RURAL ELECTRIFICATION PROJECT--This year the revolutionary government will invest a total of 51,800,000 cordobas in the rural electrification service, to serve 247,700 users, which is 53 percent of Nicaragua's population. The goal proposed for 1983 is to provide rural electrification service to 90 communities in regions I, II, III, IV, and VI, by building a total of 330 primary (high voltage) lines, and, depending on the region, 177 kilometers of secondary lines and 168 kilometers of public lighting. At present the users are served by the following facilities: the Managua Plant; the Central American Plant in Jinotega; the Carlos Fonseca Plant in Sebaco; the Nicaragua Plant in Puerto Sandino; and the Chinandega Plant; this service is backed up by an interconnection system with Costa Rica. The situation brought about by the activities of the counterrevolutionary Somozist criminals in northern Nicaragua has affected the rural electrification service. Electrification in the Atlantic Coast area has only been completed in Central Zelaya, but there are plans to bring a transmission line from Rio Tuma in Matagalpa to Mina de Siuna in Central Zelaya. The Miskito settlements have their own plants, and studies are being done to bring the power lines 110 kilometers to Bluefields. Yesterday rural electrification service was inaugurated in the Hoja de Chigue district of Niquinohomo in the Masaya department, as part of the efforts of the INE [expansion unknown] to provide service to the population. [Text] [Managua BARRICADA in Spanish 13 Jun 83 p 1] 7679

CSO: 3248/1073

## OIL INDUSTRY INVESTMENTS, DRILLINGS NOTED

Paramaribo DE WARE TIJD in Dutch 24 May 83 p 2

[Text] The Staatsolie maatschappij (State Oil Company) of Suriname entered into a contract with Gulf Oil of Houston to undertake drillings for oil at sea for this company. The drillings off the Suriname coast are scheduled to start this week.

After that Staatsolie wil continue its own drilling program in Saramacca. The Surinamese company's director, Mr Eddy Jharap, signed the contract in the United States on his company's behalf and has since returned to Suriname.

## Impressed

The contract was established after Gulf, which is drilling off the Suriname coast, saw our own people work in Saramacca. The Americans were impressed and decided to hire a Suriname crew and equipment. Staatsolie personnel gained much knowledge and experience in a short period. This enabled the company to perform a large part of its drilling and production activities independently. If problems arise the company is assured of technical advice from Gulf. This is the background for the imminent signing--possibly in July--of a long-running contract with Geomen, a sister company of Gulf which specializes in giving advice and support, mainly to state owned companies.

## Drilling

Mr Jharap was satisfied with the past performances of Staatsolie: "We have overcome the initial production problems," he said. Staatsolie did two new drillings last month as part of the exploration campaign for this year.

An additional three or four drillings will be done in September to complete the program for this year. Staatsolie currently produces 250 barrels per day, and aims to increase this to 400 barrels daily. This will enable it to better meet the demand for domestic oil. At this time Staatsolie has a contract with Suralco for delivery of oil. It is the intention that the amount supplied to Suralco will be increased in the near future.

## Loan

Staatsolie is making a number of new investments, and is, to a large extent, able to finance these from its own capital.

In addition, it is expected that it will be able to secure a loan of approximately 2 million Suriname Guilders from local banks, "to enable us to complete our fairly ambitious investment program this year," said Mr Jharap. The money will be used to build a new tanker. There has already been contacts with local shipbuilders.

Last year Staatsolie purchased a used tanker and overhauled it. Due to the expansion of production a need for more transportation capacity has arisen.

The company is building a blending station in the Saramacca area. This project will cost approximately 250,000 Suriname Guilders. The purpose of this installation is to produce fuel from Saramacca oil for smaller clients. It is hoped that the installation will be started up yet this year.

#### Pumps

Mr Jharap called his visit to the U.S. successful. In Houston he finalized the investment program with Geomen, especially in regard to purchasing.

Agreement was also reached on training facilities for Staatsolie personnel who, from time to time, will receive additional training in Houston and California.

The director of Staatsolie used the occasion to watch a new type of pump in action in East Texas. Thus far tests with this new pump have been very satisfactory.

"My first impression is that is a very interesting pump," said Mr Jharap. His company has experienced problems with conventional pumps which pump underground oil to the surface. Staatsolie has decided to test two pumps of this new type to see if they can replace the conventional ones.

#### Steam

Staatsolie and its partner, Suriname Gulf, recently discussed the continuation of the off-shore search for oil. Currently this is done by Gulf in cooperation with the Japanese state owned oil company JAPEX.

Staatsolie is also discussing with Gulf and Geomen the possibilities of using steam for the production of oil. This week a number of important measurements will be done, the results of which will be evaluated in U.S. laboratories. By the end of August Staatsolie expects to receive the results of this extensive research in the possibilities and desirability of the application of steam.

One of the topics of research concentrates on the possibility that this method would increase output per well, and thus increase total output. Depending on the results of the research, this method could be applied as soon as late this year or early 1984.

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CSO: 3214/36



## MODIFICATIONS TO PAPAL BEAGLE PROPOSAL BELIEVED NECESSARY

Buenos Aires SOMOS in Spanish 17 Jun 83 pp 16-17

[Article by Santiago Palazzo]

[Text] The red alert that the Air Force declared this past 25 May not only placed a security mechanism into operation but also once again raised the specter of war. A few days later, on 5 June, the Multiparty Group called for a peace treaty at all costs, and Ricardo Echeverry Boneo, the current head of the Argentine negotiating team, met with President Bignone in Belgrade to discuss the Beagle issue. Aside from the military and political vicissitudes that have brought the issue to the fore again, there are still many unanswered questions. What actually is John Paul II's proposal? Does it give Chile more or less than the arbitral award? What might happen if Argentina accepts or rejects the proposal?

The Pope's Proposal. The mediation effort is definitely at a standstill. Chile has accepted the proposal and Argentina has not. What is more, there are apparently insurmountable difficulties to its doing so.

With regard to areas of sovereignty, which is the fundamental issue, the pope's proposal awards Chile the islands in dispute (Picton, Nueva and Lennox), the islands south of them (the largest are Evout and Barnevelt) and Horn Island. This island has always been considered one of shared sovereignty, inasmuch as the meridian of the same name, which divides the Atlantic from the Pacific, runs through it. The proposal establishes a 12-mile Chilean jurisdiction eastward from the coastlines of these islands. The outer 6 miles of this area is what the papal proposal calls the Zone of Common and Concerted Activities, which it also calls the Zone of Peace and which has come to be called the Sea of Peace. This zone extends southward 200 miles from Cape Horn and 200 miles eastward from Nueva Island, in an arc joining these two points. The zone covers a total area of 118,000 square kilometers, and according to point 4 in the document: "All activities relative to the exploration or exploitation of living and nonliving resources in the water, seabed and subsoil, to scientific research and to the preservation of the environment are regarded as common or concerted activities. The special systems regulating these activities will stipulate equal participation for both nations."

As has been reported, the two main objections standing in the way of Argentina's acceptance of the proposal are: Chile's projection into the Atlantic (this would void the principle accepted in the 1902 accord, which established a two-ocean partition, Chile in the Pacific and Argentina in the Atlantic) and the lack of land supports for the normal exercise of Argentine maritime sovereignty, inasmuch as Argentina would be left without an inch of land beyond the Beagle.

Is an Agreement Possible? Citing the arbitration finding and Pope John Paul II's proposal, the Chileans have given no indications that they are going to alter their position in a way that would make an agreement possible.

Nevertheless, SOMOS has learned from government experts that the proposal would have to be modified to make it acceptable to the future congress. In the first place, the so-called Zone of Common and Concerted Activities would have to be appreciably reduced: "Argentina has ceded 118,000 square kilometers of ocean area for this zone, whereas Chile is contributing less than 1/10 of this. Moreover, the idea is virtually unworkable and would only serve to create an inexhaustible source of conflicts. If such conflicts are currently cropping up in small areas, they will inevitably multiply in that case. Argentina could agree to providing an area similar to Chile's for this zone, that is to say, another 6 miles east of the dividing line and following the same course as the line," one of these experts said.

In addition, a land support point would have to be provided on Cape Horn. This would extend Argentina's effective jurisdiction southward from that point, not from the 12 miles south of Cape Horn, as the pope proposes. SOMOS learned that in the months prior to his death Cardinal Samore himself had been working on these points.

Gains and Losses. "If Argentina does not accept the proposal, the normal thing would be for Chile to submit the matter to the International Court of Justice at The Hague for a ruling," former Foreign Minister Oscar Camilion told SOMOS. Adm Jorge Fraga agrees with him on this point. "After the 1972 Peaceful Settlements Treaty was denounced, the Beagle matter was expressly set aside, and Chilean sources have made this known as well." The two experts also agree that we should take it for granted that the court's ruling will go against Argentina, inasmuch as several of its members were on the panel that handed down the arbitral award. Fraga went on to say that "the pope's proposal abides by the award but is less detrimental to Argentina because it improves on its consequences." He was referring to the additional miles of Chilean sovereignty in the Atlantic under the arbitration award, in contrast to which the pope's proposal specifically stipulates 12 miles from the coastline.

Regarding the influence of the Beagle problem on the Malvinas conflict, Camilion was explicit: As soon as the possibility of a diplomatic settlement in the Malvinas arose, the importance of the Beagle issue

declined considerably from a strategic standpoint." Fraga cautioned that "even if we approve the pope's proposal, we will soon have another equally serious or more serious conflict on our hands, because Chile has already come out and said it: it wants sovereignty over the waters east of the eastern mouth of the Strait of Magellan."



The pope has awarded Chile all the islands and sovereignty over the Atlantic (12 miles to the east). The Sea of Peace would become a new trouble spot.

What the Politicians Say. Radical leader Carlos Contin believes that a definitive peace treaty should be signed at once. "This would enable us to proceed more calmly in the immediate future," he said, "when we take up this problem in the parliament, and the same goes for the Chileans." Oscar Alende agrees that the so-called Sea of Peace would only become a source of conflict, adding that the proposal does not give equal consideration to the rights of the two parties because it violates the principle of bioceanic exclusion and because Argentina gets no land support points. "The problems stem from the 1881 treaty. That is the source of our worries about the Beagle." Alvaro Alsogaray does not agree, asserting that the treaty proposed by the pope ought to be signed now, "inasmuch as if we wait until the next Congress is in place, the interval would be very dangerous and leave the country open to a diplomatic or military escalation."



What Argentina could accept: reducing the Zone of Common and Shared Activities and jurisdiction over Cape Horn.

Finally, someone very close to the mediation effort disclosed that it would not be advisable to sign a new peace treaty (as the Multiparty Group proposes) because although this would please the Vatican, it would also please the Chileans, who could then continue indefinitely exercising sovereign rights over the islands and waters that they now occupy without feeling the need to seek an accord, and because it would be detrimental to Argentina's aim of finding a specific solution to the problem.

The Vatican's reaction to all this is that it is resigned to waiting for the next government to accept the proposal. It is true that the pope's proposal is not favorable to Argentina, they have commented, because it gives Chile the three disputed islands, plus seven others, and allows it to enter the Atlantic while leaving Argentina without land supports, but it is no less true that the proposal is infinitely better for Argentina than the arbitral award.



The 1977 Arbitral Award. The dividing line through the Beagle extends towards the Atlantic, giving Chile jurisdiction over the 200 miles east of the islands.

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CSO: 3348/505



TEXT OF NEW LAW ON LABOR UNIONS PUBLISHED

Buenos Aires CONVICCION in Spanish 25 Jun 83 pp 14-15

[Text] The National Executive Branch yesterday sanctioned the law making third-level trade union organizations, including the General Confederation of Labor (CGT), legal again.

The purpose of the law, whose number is 22,839, is "to insure that trade union associations are free to establish and organize themselves in accordance with the will of their members."

The text made public yesterday adds that "the bill preserves the assets of the associations and empowers the National Executive Branch to order, when appropriate, the clearing of the title deeds to real estate belonging to them and to invite provincial and municipal governments and government enterprises or agencies to standardize the resolutions handed down in favor of the associations."

The following is the complete message accompanying Law 22,839:

"Your Excellency the President of the Nation:

"We have the honor of addressing the chief executive to submit for his consideration the attached bill, which amends Article 3 of Law No 22,105, so as to recognize the existence of trade union associations, and establishes guidelines for their operation by modifying the provisions of Articles 14, 15, 37, 38, 39, 40 and 42. Consistent with this, Article 75 of the aforementioned law is repealed.

"The bill embodies the observations made by the International Labor Organization through the Commission of Experts on the Application of Agreements and Recommendations, through the Committee of Union Freedom of the ILO's Board of Directors and through the direct contacts between the Argentine Government and the ILO pursuant to our country's international obligations as a member state and, in particular, pursuant to the ratification of International Agreement No 87 by means of Law No 14,932

"The bill insures that trade union associations are free to establish and organize themselves in accordance with the will of their members. It was in observance of this principle that the words 'confederations, which are the higher-level associations that comprise unions and federations' are included in the second paragraph of Article 3 of Law No 22,105. Thus, the law affords trade union associations the possibility of expressing themselves freely as groups.

"Because confederations are included within the range of entities under Law No 22,105, some of that law's articles have had to be amended. They are reproduced in this bill solely for the purpose of reconciling their wording.

"In view of the legislative decision amending the regulations for third-level associations, it seems reasonable and consistent to stipulate measures that will enable the entities that were dissolved by Law No 22,105 to be reestablished and, therefore, to repeal Article 75. Such changes will also enable them to recover their assets.

"To this end, the National Executive Branch is empowered to appoint a delegate within these associations with the statutory powers of management and administrative bodies and with the primary duty to provide for their institutional normalization and for the normalization of their assets.

"Lastly, the bill preserves the assets of the associations in question and empowers the National Executive Branch to order, when appropriate, the clearing of the title deeds to real estate belonging to them and to invite provincial and municipal governments and government enterprises or agencies to standardize the resolutions handed down in their favor.

"Likewise, the bill orders a stay, for a reasonable period, on proceedings already under way, on the start of new proceedings, on precautionary measures and on sentences relative to the dissolution of third-level trade union associations under Article 75 of Law No 22,105, so as to insure the institutional stability needed to make the appropriate decisions for their future operations.

"It is felt, therefore, that the bill will enable the third-level associations to return to normal in the near term, with government involvement limited to that which is indispensable to establish the minimum groundwork for this purpose.

"Pursuant to the powers conferred on him by Article 5 of the Statute for the National Reorganization Process,

"The president of the Argentine Nation sanctions and promulgates with the force of law:

"Article 1. Articles 3, 14, 15, 37, 38, 39, 40 and 42 of Law No 22,105 are hereby replaced by the following articles:

"Article 3. The provisions of this law shall apply to the unions formed by workers in a single field or in related fields (because they have common interests) and to unions bringing together workers in different fields who practice the same trade or profession or who hold the same position.

"Its provisions shall also apply to federations established by unions of workers in the same field, trade, profession or position and to confederations, which are the higher-degree associations that comprise unions and federations.

"Article 14. The trade associations shall be administered and managed by an executive body consisting of at least five members, chosen in a manner that guarantees that the will of the majority of affiliates or, as the case may be, delegates is respected, through a direct and secret ballot. Regarding the management and administration of federations and confederations, the bylaws shall establish the particulars to guarantee that the representation of their member entities is reasonably proportional.

"Article 15. The mandate of the members of executive bodies in trade associations shall not exceed 3 years, with the possibility of a single immediate reelection to any post.

"In order for a member to be reelected, in the event that he was not immediately reelected before, a period equal to the term stipulated in the bylaws must elapse, and in the event that he was immediately reelected, a period equal to double the term stipulated in the bylaws.

#### VI. On Federations and Confederations

"Article 37. Associations with the legal status of trade unions shall be able to establish federations and confederations and to join or withdraw from them.

"The federations established for a field, trade, profession or position shall be able to request registration and trade union status from the appropriate authority.

"Trade union status confers only the following powers on these federations:

"A) To negotiate collective bargaining agreements with employers or employers organizations, on behalf of the member unions;

"B) To represent the member unions before the State when they are expressly requested to do so by the member unions or by the State, and before international organizations when the member unions expressly request that they do so.

"Article 38. The higher-degree trade union associations shall not be able to intervene in their member unions or ask the appropriate authority to do so, notwithstanding which they shall be entitled to report any irregularities they might observe to the appropriate authority.

"Article 39. The higher-level trade union associations shall receive the dues and contributions that their lower-level member unions pay to them, by common agreement, for their operations and maintenance. They shall not be able to receive dues or contributions directly from the workers.

"Article 40. The federations shall defend the workers' trade union and labor interests within the scope provided for in Article 37.

"The federations and confederations shall not be able to award social or welfare benefits.

"Article 42. The assets of the trade union associations shall consist of:

"A) Dues and contributions;

"B) The properties they acquire and income from them;

"C) The donations, bequests and contributions not prohibited under the provisions of Article 10 and other contingent resources.

"The assets of the higher-level trade union associations shall be limited to the dues and contributions of the lower-level member trade unions, as stipulated in Article 39, as well as the real estate required for a headquarters and other items needed for their operations.

"Article 2. Article 75 of Law 22,105 is hereby repealed.

"Article 3. In order to enable the third-level trade union associations affected by Article 75 of Law No 22,105 to operate, the National Executive Branch shall appoint a delegate whose primary duty shall be to provide for their institutional and asset-related normalization.

"Article 4. The official whom the National Executive Branch appoints shall have the powers of the respective association's management and administration and shall act in accordance with the bylaws and with whatever regulations are issued at the time.

"Article 5. The National Executive Branch shall adopt whatever measures are pertinent to clear the title deeds to the real estate owned by the third-level trade union associations and shall invite provincial and municipal governments and state-run enterprises or agencies to standardize the resolutions handed down in favor of said associations and their regional delegations.

"Article 6. The National Executive Branch shall allocate the funds needed to enforce this law.

"Article 7. The start of new proceedings, proceedings already under way, precautionary measures and sentences relative to the dissolution of third-level trade union associations under Article 75 of Law No 22,105,

are hereby stayed for a period of 180 days from the time that this law takes effect.

"Article 8. This law shall take effect as of the date that it is promulgated.

"Article 9. Pro forma."

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## LABOR NOT COMPLETELY SATISFIED WITH MODIFIED LAW

Buenos Aires CONVICCION in Spanish 25 Jun 83 p 14

[Article by Ruben Ortiz]

[Text] Labor leaders were visibly surprised and upset last night when they had their first look at Law 22,389, which amends Law 22,105 on Trade Union Associations. On the one hand, the new law once again recognizes third-level organizations and paves the way for the return of the CGT [General Confederation of Labor], to the workers, but on the other it reaffirmed the ban on managing the social benefits funds.

The labor leaders were perplexed because they were expecting two laws, one of them intended solely to recognize the third-level associations (confederations) and to provide for the return of the CGT building and assets to the workers, inasmuch as the government had failed in its bid to dissolve the worker confederation.

The labor leaders were expecting that a second law, whose draft was debated early this year by the heads of the Azopardo CGT and Labor Minister Hector Villaveiran, would ease the restrictions on the management of social benefits funds, which are outside union control.

Based on the first draft that they had worked out with Villaveiran and that they disappointedly compared last night with the actual text, they were specifically expecting that the new law would simply repeal Article 9, which states that "trade union associations, as such, shall not be assigned the proceeds from Law 18,610 (social benefits), from any amendments to it, from any complementary laws or from any law that amends or replaces it, nor shall be involved in the management of social benefits."

They were also expecting new wording for Article 11, which states that "the sole purpose of the associations referred to in this law is to defend the workers' union- and labor-related interests. They cannot engage in profit-making activities." What the labor leaders wanted added was: "unless the aim of such activities is to award social benefits to affiliates or to contribute to their support."

In contrast, in the law enacted last night the government emphasized that trade unions "shall not be able to award social or welfare benefits," specifying that the assets of the higher-level trade union associations will be limited to the dues and contributions from lower-level associations, to the real estate required for a headquarters and to other items, without mentioning social benefits funds.

Though other amendments of Law 22,105 are still being awaited, the labor leaders were quite worried that the section on social benefits ran counter to their wishes.

Meanwhile, the Labor Ministry noted that it had drafted two bills, one to restore the workers' right to establish third-level associations or confederations and, at the same time, to normalize the CGT as an institution. This is the bill that became law.

The other bill that the ministry drafted is designed to speed up, through elections, the normalization of the trade unions that are still intervened, by eliminating the conflicts between the letter of Law No 22,105 and the bylaws of the organizations in question, especially regarding their area of operation.

The ministry claims that the bill pending approval embodies labor's wishes regarding social benefits, but the labor leaders who have been consulted want to see this for themselves first.

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## PRIVATE SECTOR TERMS FARM POLICY UNREALISTIC

Cochabamba LOS TIEMPOS in Spanish 5 Jul 83 p 5

[Text] La Paz, 4 July—The Bolivian private sector, through its president, Fernando Illanes, has demanded the "depoliticization" of the state agencies responsible for the management and direction of the agriculture sector, and that these agencies take an interest in substantive issues, beyond sectarian concerns.

During the First National Agriculture and Livestock Conference in Tarija, he explained the private sector's position, indicating that agricultural development is essential to the economic transformation that will be necessary to emerge from this crisis. In addition to providing food and supplying foreign reserves to the economy, or allowing it to save the latter, agriculture contributes to development by freeing up resources as a result of increased income, and, in turn, it expands the domestic market for nationally produced goods and services.

The diagnosis of the agricultural sector, however, reveals that it is basically backward.

"This is a sector where production improvements are sought in obsolete ways of combining land, labor and capital."

"Any expansion of production, given that the productivity of inputs is on the decline, goes hand in hand with a decline in income, which is also affected by natural disasters, the steady decline of income in the agriculture sector, as well as its decapitalization because of the transfer of resources and the setting of prices not commensurate with the costs of production."

## Realistic Division

In a message sent in the name of his organization to the agricultural gathering, Illanes stated that the agricultural program must be focused "with a realistic view, divorced from vested interests and political bureaucracy."

"Agricultural policy has been deficient and irrational so far. The mechanisms that run agricultural policy have been, despite all the rhetoric which translates into a deluge of plans and programs, unable to prevent the progressive decline of the economy."

The message adds that "it is well known, and of great concern, especially in the regions of Western Bolivia, that production has declined in this sector. Just a few statistics illustrate this assertion: In 1960 agriculture accounted for 31 percent of all national goods and services production; in 1970 it amounted to 20 percent; in 1980 it fell to 19 percent; and in 1983, as a result of weather factors, it will probably not reach 13 percent of the country's entire production."

#### Natural Disasters

The irrationality of agricultural planning is reflected in a single detail: Bolivia exploits only 6 percent of its 1,087,000 square kilometers in area, and 716,000 hectares are misused by being cultivated with archaic methods.

"Other data to illustrate our present deficient agricultural situation are that crop losses total more than 1.2 million metric tons, which severely limits the nation's food supply. In connection with the statistics on huge agricultural losses, we calculated that in the East 108,000 hectares have been damaged by flooding, and 246,000 hectares by drought."

The message reiterates that only unity and national consumption can make a true development program work. This is a challenge that will reveal the nation's real interests.

"As is the right of all Bolivians," added Illanes, "we demand that the government agencies responsible for this area depoliticize this sector, so essential to the nation, and show a patriotic interest beyond sectarian interests." He concluded that "we think that to emerge from stagnation and crisis it will be necessary for everyone to join together in the service of Bolivia, and one of the key factors in that unity is the contribution of national private free enterprise."

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CSO: 3348/551

## MNRI SENATOR CHARGES GOVERNMENT INACTION TO CUT DEFICIT

La Paz HOY in Spanish 2 Jul 83 p 6

[Text] "The only way to cut the budget deficit is to stimulate production and exports, and so far the government has not made any move in this direction."

This statement was made by Senator Fernando Baptista of the Nationalist Revolutionary Movement of the Left (MNRI). The senator, who is also chairman of the Finance Committee of the Upper House, explained that the government has not taken a single measure to stimulate the mining, industrial and agriculture sectors.

He went on to say that the government probably does not have to take certain measures to reduce the deficit, such as cutting public spending, raising taxes, and others.

"I do not consider these measures sufficient if in the meantime enterprises such as the Mining Corporation of Bolivia (COMIBOL) continue their production cutbacks. According to initial estimates, that mining enterprise is producing some 6,000 tons less than in 1982," he said.

This situation will lead to losses by that company, which must rely increasingly on subsidies from the public treasury, he explained.

Baptista also maintained that two important factors give rise to optimism about the future. One is putting the fiscal house in order by approving a regular, consolidated budget (considering that last year no budget was even drawn up).

Another aspect of this situation is the standardization of municipal ordinances throughout the nation.

The second factor is talks between the government and international private banks to renegotiate our foreign debt, talks which will soon allow new investment to flow into the country.

Senator Baptista then explained that "I do not believe the economic situation itself has improved over that of the period before Democratic and Popular Unity (UDP) took office," but that recovery is possible.

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PEASANT CONGRESS BACKS PROPOSALS TO AGRARIAN REFORM LAW

La Paz EL DIARIO in Spanish 4 Jul 83 p 2

[Text] The Second National Peasant Congress suggested that the current Agrarian Reform Law be replaced with a new Fundamental Agrarian Law.

The congress approved the report of the Agrarian Reform Committee, which expressed the need to replace the legal instrument with one that would be more commensurate with the "true problems of peasants," and which would eliminate the minifundio system in the countryside.

It recommended convening a Special Congress to study and subsequently approve the aforementioned plan, and once the plan had been discussed by rural leaders, it would be sent to the Legislative Branch for its consideration.

Jenaro Flores, executive secretary of the Single Confederation of Peasants of Bolivia, stated that the goal is the total substitution of the Agrarian Reform Law, not modification or partial changes.

The Agrarian Reform Committee also suggested that copies of the Draft Fundamental Agrarian Law be sent to the local chapters of the Confederation so that it could be discussed and studied.

Other Resolutions

The Agrarian Reform Committee of the Second Peasant Congress resolved to demand that all lands which are not serving some social function, and which were given to capitalist individuals, public employees and others who do not work the land, be returned to the state.

It demands that the Supreme Decrees of 5 November 1982 and 10 January of this year be enforced.

It resolved to demand that lands mortgaged by the Agricultural Bank, the Bank of the State and private banks be returned to the state.

It proposes that all agricultural workers be covered under the General Labor Act, and that so-called "medium and business" properties be eliminated because they are the sources of intolerable abuse.

It came out in favor of the merging of the National Settlement Institute with the National Agrarian Reform Service. "As soon as this request is honored," the committee said, "we demand that the Settlement Institute cease charging any money of peasants within national territory."

The Agrarian Reform Committee proposed the implementation of an overall agrarian plan that would not be limited to land-related problems, but would also cover access to inputs, credit, technical advice and direct marketing for the benefit of growers.

As for the settlement of foreigners, it demanded the enforcement of current legislation prohibiting these citizens from possessing land within 50 kilometers of our borders.

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## TECHNICAL COOPERATION ACCORD WITH SOVIET UNION ANNOUNCED

Cochabamba LOS TIEMPOS in Spanish 6 Jul 83 p 5

[Text] Minister of Labor and Manpower Development Roberto Arnez explained to the press the series of agreements signed with the government of Russia, within the field of cooperativism, on the occasion of the World Congress on Cooperativism that was held between 21 and 27 June in Moscow.

The labor minister, along with Fernando Soto, executive secretary of the National Institute of Cooperativism (INALCO), represented the Bolivian Government at that international gathering. The conference covered a series of issues related to cooperativism on a world scale.

The cooperative movement in both capitalist and socialist systems was debated in depth, although particular attention was paid to cooperativism in poor, developing and third world countries.

The Bolivian delegation presented an exhaustive report on cooperative activities in this country, in the productive areas of mining, artisan activities, and agriculture.

According to the labor minister, the cooperative organization of Russia agreed to provide aid in various ways, particularly technical and marketing assistance, given that national artisan-level cooperatives in wood- and metal-working are operating under obsolete systems that impede their development.

In order to boost artisan-level cooperativism, the government last March appropriated a fund of \$5 million for the importation of machinery that would improve the technical and working conditions of those cooperatives.

This policy of supporting cooperativism is also being complemented by a series of agreements reached at the world congress whereby 20 scholarships are funded for university-level and theoretical studies in cooperativism.

Approximately 36 countries from Africa, Asia, Europe and Latin America participated in the World Congress on Cooperativism, along with representatives of the International Cooperative Alliance, which includes about 100 countries.

The Bolivian delegation prevented a survey of the problems and perspectives of cooperativism within a legally established system. "We indicated the need for

a democratic system in cooperativism so that it can develop. Such a system would involve not only respect for human rights, but acceptance of different organizations," stated the labor minister.

The international cooperativism meeting in Moscow also provided a forum for exchanging ideas on techniques and commercial and cultural exchanges among the countries represented.

Given the importance of cooperativism on the world, regional and especially local levels, the government plans to promote a series of programs for assistance to all cooperative productive sectors. One example of that is mining cooperatives, which contribute more than \$80 million to the national economy, within the context of contributions by other mining sectors.

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## REFINANCING SEEN AS PRACTICAL SOLUTION TO FOREIGN DEBT ISSUE

La Paz PRESENCIA in Spanish 8 Jul 83 p 3

[Article by Guillermo Bedregal Gutierrez]

[Text] Anxious concern expressed by the high Bolivian official in charge of managing public finance confirms that the foreign debt, which already amounts to \$4 billion, is the real "Achilles heel," or critical and highly vulnerable point of our entire economic-financial world. In the last 3 years major efforts have been made to refinance or reprogram the servicing of these obligations, resulting in mere short-term postponements of principal payments. This current state of affairs in international negotiations emerges against the backdrop of the deplorable crisis we are undergoing, embodied in the International Monetary Fund (IMF), that is, the world financial tool that serves the interests of creditors, the "neocolonial" mechanism to which our country is forced to resort in order to get out of the current predicament.

It is appropriate to make some observations, upon due consideration and reflection, regarding the overwhelming despair our nation has begun to feel in this atmosphere of uncertainty.

International banks cannot refuse to refinance the Bolivian debt. This is a fact that our negotiators should keep clearly in mind, and on that basis they should not allow themselves to be intimidated. Our negotiators should bear in mind that our case, Bolivia's case, is no different from that of other Latin American countries, and it is certainly true that a certain meeting of the minds should be sought so that we and our brother nations may renegotiate in concert.

The fact is, at the bargaining table where debtors and creditors sit, it is the former who have the advantage, to the extent that economic analysts of the industrialized countries have coined the phrase "the debt bomb" (TIME Magazine in the United States and THE ECONOMIST in the United Kingdom, two highly influential publications) to illustrate the rare power possessed at this time by the countries with international debts. The significance of the "debt bomb" is that if Brazil, Mexico, Argentina, Venezuela, Peru and Bolivia declare themselves bankrupt or in default, being unable to service their debts, the most likely event is that the entire international financial system will also go bust, especially the powerful U.S. banking system, which is



stuck with more than \$100 billion in accounts receivable, primarily from the six countries mentioned above. Brazil alone owes nearly \$80 billion; Mexico accounts for a similar amount; Venezuela has an overall international debt of \$28 billion. Of that total, nearly 60 percent must be paid back to U.S. banks.

The truth is that the American creditors know that in the event of an undesirable conflict, our countries have hardly any liquidable assets abroad. Those assets would cover under 15 percent of our debts, so if they were to seize them, they would get a return on a minimal portion of the debts that countries owe to U.S. banks. In Bolivia's case, this certainly includes the physical gold of our reserves, which may be at Fort Knox or in the vaults of the Bank of America, and any confiscation they may make of our metal and mineral exports, which would not be legally seizable because of the tradition that ownership generally occurs ex-customs, that is, within Bolivian territory.

Of course there are other, more drastic ways to make us pay; it is worth recalling what happened in 1903 when European ships tried to persuade Venezuela to pay its debts with a barrage of cannonfire, and when the Cipriano Castro regime defended its coasts (Maracaibo, La Guayra, Puerto Cabello), also with cannonfire. In this day and age, when international public opinion is given such weight, could President Reagan send in marines or use other methods of warfare of even greater impact? U.S. public opinion itself, which has the final word in that democratic power, would not tolerate such a violent act. In any case, a U.S. president who involved that nation in such behavior would not remain in office long.

Another thing that the United States might do if Latin Americans and Bolivians declared bankruptcy, placing its own financial system in jeopardy, would be to retaliate by imposing a food embargo. That is, it could exercise its "food power" through the well-known "food diplomacy." But that measure is prohibited and repudiated not only by multinational agreements of the United Nations, which consider the suppression of food shipments within what is established as a normal exportation process, to be nothing short of a "crime against humanity." This flank is the weakest one Bolivia can have, given that it imports nearly \$100 million in food, perhaps more. But it must also be remembered that our country could, in such a crisis, obtain the grains and other sources of protein the people need through other means, indirectly.

Looking at the conflict in this way, it becomes "science fiction," because there is no doubt that the line of least resistance is for the creditors and the country that represents them to take the route of refinancing. In Bolivia's case, that would assure them of receiving their money, although over a longer term. In short, they know that our countries, Bolivia included, are potentially very important economically (petroleum, minerals, industry, raw materials in general), and in any analysis these assets outweigh what we owe. There is always a way to get money out of countries with that kind of wealth. It is precisely the tremendous natural resources possessed by Latin America and Bolivia, and the control thereof, that lie behind the pressuring, the bluffing of the IMF. They have already reached the conclusion that there is no other alternative but to refinance Bolivia's debt, as well as those of

other Latin American nations. They also recognize that this refinancing, which at a given moment Latin America could establish as a united front for its international debt, provides an indispensable solution to the world economic slump. A major factor in that contraction has been the absence in the last 3 years of aggregate demand, which affects exports by imperial nations to Latin America, and notably erodes the U.S. balance of trade. That country sells 40 percent of its total exports to Latin America. Its strategy, however, is to manipulate the situation in order to gain control over raw materials, as it did to much of Mexico's petroleum.

In conclusion, refinancing for Bolivia is a fait accompli, and what must be eliminated is the useless maneuvering to subject us to pressures on our sovereignty. Moreover, refinancing our international debt, in such a way as to alleviate substantially our current balance of payments, is ineluctable.

In addition, unity among Latin American debtors would lead easily to a more uniform and beneficial moratorium than the refinancing that is to be granted to Venezuela and has been afforded to Mexico, Brazil, Argentina and Peru. The only indispensable element in achieving that objective is for us to maintain internal unity in Bolivia, not promoting classist, petty and perverse backbiting. In terms of Latin American unity, we should invoke the eternally relevant teachings of Simon Bolivar during this bicentennial anniversary of his birth.

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## STATISTICS SHOW JOBLESS RATE AT 10.64 PERCENT

La Paz EL DIARIO in Spanish 8 Jul 83 p 5

[Text] The total number of unemployed in the districts of Santa Cruz, La Paz, Cochabamba and Oruro reached 62,107 people as of April 1983.

This information was revealed by National Statistics Institute Executive Director Freddy Justiniano, who called a press conference involving reporters from various mass media.

He explained that the country will be able to obtain statistical information on the labor market bimonthly, particularly for cities that make up the "central axis" (La Paz, Santa Cruz, Cochabamba and Oruro), and quarterly for the other department capitals.

He indicated that the 62,107 unemployed workers represent a jobless rate of 10.64 percent.

Of the total number of unemployed workers, 72 percent (17,483 people) did not perform any work in the week prior to the survey, as opposed to the remaining 28 percent (17,483 people), who worked or did some task for 1 to 12 hours during the previous week.

It was explained that there is an a priori policy (pursuant to international recommendations) that any resident who does not perform any work or who performs so little work that the total for the week does not reach 12 hours' labor, shall be considered unemployed.

The above figures indicate that the rate of overt unemployment in the cities of La Paz, Santa Cruz, Cochabamba and Oruro, as a whole, was 7.65 percent in April 1983.

Of the total number of jobless workers, 23,304 are heads of households, while 38,803 claimed not to be heads of households.

It was observed that the highest unemployment rates correspond to the cities of La Paz and Cochabamba, with 12.60 and 12.44 percent, respectively.

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## ELECTION OF PARTICIPATION FACTION TO PDS NATIONAL COMMITTEE VIEWED

## Dissident Movement Underestimated

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Jul 83 p 3

[Text] Brasilia--It was a reaction against almost everything and against almost everyone. That is the way the "victory" of the Social Democratic Party (PDS) dissidents can be viewed. Underestimated by the Civilian Household of the Presidency, by the command and by the leadership of the party, they managed to include 42 members in the new national committee. At least 20 of them are considered Maluf supporters.

A slate that emerged in the face of being discredited by many people, gaining 35 percent of the national committee, is a victorious slate. The movement was victorious especially considering the fact that the dissidents faced the open and discreet pressures of Planalto Palace officials and state governors.

At once, critical comments sprang up blaming mainly Minister Leita de Abreu together with PDS leaders and directors. Nobody gave due credit to the rebel movement, even if they preferred not to give credit to its coordinators, beginning with Espirito Santo native, Theodorico Ferraco.

Nonconformity in the government party is not new. In 1982 it was very difficult for the government to cope with the rebellion against the institution of the substate, which ended up collapsing. It was a warning to Planalto not considered in its real proportions.

After that, some selections of candidates for government were also contested in several states. The 15 November elections should have changed the face of the PDS. Almost nothing changed. Despite the efforts of Jose Sarney and Prisco Viana, trying to explain the "representativeness" of the official slate, it left much to be desired. Those who organized the resistance alleged that there was not the slightest consultations with the federal blocs and the regional sections of the party in organizing it. It happened, as always, from the top down. Thus, the nonconformity that already been burgeoning in the party.

From what could be observed, neither the command of the PDS nor the Civilian Household of the Presidency believed in the dissidence. They counted on the

instruments of always, activated from the states to Brasilia. This time, they did not work much. Suffice it to note that the largest batch of dissident votes came from the moderate Minas bloc—they were at least 50 votes. Also in Parana, in Sao Paulo, in Rio and in other states in which the PDS lost last year's elections, the "Participation" movement became firmer.

Sunday's episode is unlikely to be circumstantial. Many leaders of the two sides believe in linkage, involving the conduct of the party from now on, the role of the leaders and the relationship of the leadership with the blocs and the rank-and-file. The succession process will necessarily be involved in that internal schism.

Yesterday morning, with the congress semideserted, the criticism of the conduct of the party command and Minister Leitao de Abreu still continued. The rebels may represent new problems to Senator Jose Sarney who, except for unforeseen circumstances, will be reelected president of the party today. They may also represent new problems to leader Nelson Marchezan and Minister Leitao de Abreu.

Some congressmen even noted a critical stance on the part of Justice Minister Ibrahim Abi-Ackel. In informal talks with PDS congressmen during the national convention, the minister indicated that for a long time he had been calling attention, to whom it may concern, to the lack of political coordination by the Figueiredo government. If there is not a course correction, the coordination of the general-president in the selection of his successor will head for many more difficulties than had been anticipated.

The facts are very clear. At the beginning of the dissatisfaction, Minister Leitao de Abreu did not want to heed the demands to allot 20 to 30 of the 50 new positions in the national committee to the federal bloc. Guided by the Civilian Household, the command did not let go of the nomination to that party organ. By refusing to grant 20 positions, the official slate lost 42 positions in the dispute. All congressmen with double vote.

That means that at least that each one will fight for his favorite presidential "hopeful." The personal position of each member of the national committee can represent another point of resistance to the president's coordination in view of the polarization that is occurring between Mario Andreazza and Paulo Maluf.

Incidentally, another poll taken shows the relative weight of the minister of the interior and the former governors of Sao Paulo among the conventioners. The "driven" remain even to the detriment of the discreet and disciplined, such as Aureliano Chaves, Marco Maciel, Costa Cavalcanti, Helio Beltrao and others.

Andreazza and Maluf are maneuvering intensely in the plenum and the corridors of the convention through their election lieutenants, including family members and direct aides, to remain in the leadership. Each group wants to force a decision immediately, disregarding the uncertainty of General



Figueiredo's state of health or the worrisome social situation that exists, the product of the economic crisis.

#### Mentioned

The former secretary of agriculture in the Francelino Pereira administration, Deputy Gerardo Renault, yesterday appeared to be the most mentioned for secretary general of the PDS. The dissidents find themselves with the right to three places in the new executive committee to be chosen this morning, including the secretary generalship. Prisco Viana, who had been holding the position, was one of those sacrificed by the dispute. Immediately after the vote count, Prisco Viana telephoned Vice President Aureliano Chaves Sunday night, saying: "Mister President, I was defeated by the chocolate with milk," meaning Bahia with Minas.

#### Who Are They?

Figueiredo's private secretary, Heitor de Aquino, acquitted himself with the president of the republic by his political contacts. He has a need to keep informed in order to better inform the chief. The president understood the explanation and told him: "Heitor, they are going to have to put up with us until the last day."

On learning of that conversation, former Minister Golbery asked sarcastically: "They? They who?"

#### Preference

The absence of President Figueiredo at the PDS national convention was much criticized in the wings. Someone failed to advise the general-president—either to delay his return to Brasilia or to make a visit to the convention. Between the PDS meeting in convention and a horse-show on Sunday, Figueiredo preferred what he likes most, horsemanship.

#### Preservation

The dissidents celebrated the victory Sunday night in the home of vice leader Amaral Netto. With toasts of "Royal Salut" all promised to preserve the group and maintain its unity. If possible, without a "master."

#### President Must Reassume Command

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Jul 83 p 7

[Text] Brasilia--The episode of the "participation" slate, which surprised the closest government aides by the number of votes obtained, is causing high-level sources connected with Planalto Palace to envisage the need for President Figueiredo, when he reassumes his office, to personally assume political command or take measures to set it on another course.

The same sources point out that it is no longer possible to hide the fact that the government's political action has begun to deteriorate in the face of successive failures beginning with the moment Minister Leitao de Abreu assumed the de facto role of political coordinator of the government, leaving up to the responsibility of Minister Abi-Ackel only the juridical and administrative sectors of his ministry.

Until then, according to the same analysis, the political affairs were being conducted in perfect harmony by the former chief of the Civilian Household, Golbery do Couto e Silva and by the hands of the Justice Ministry, first Petronio Portella, then Abi-Ackel himself. That is how we came by the amnesty, the extension of the municipal terms of office, the direct election for governors and establishment of the arrangement--which could be termed "casuistic"--by which the government succeeded in maintaining its majority in the congress and the electoral college that will elect the future president of the republic. All of that listed as "victories" of the government.

However, according to the analyst, called upon to succeed General Golbery do Couto e Silva, Leitao de Abreu preferred to assume exclusive political command. He did not share it with the minister of justice or even with the president's private secretary, Heitor Aquino Ferreira, former right-hand man of Golbery, who ended up being sidelined within Planalto Palace itself.

However, according to the same source, the coordination undertaken by Leitao de Abreu began to experience some failures beginning with the imposition of the linked vote, to which a good part of the opposition's success in the last selections is attributed. But the most spectacular of these to appear clearly was in Sao Paulo when it was decided to impose a defeat on Maluf. And now came the case of the election of the national committee and the National Executive Committee of the PDS. Another disaster; one for which Leitao de Abreu was largely responsible. Beginning with the surprising fact that on the eve of the convention, on two successive days, he invited first the chairmen of the two regional committees of the party and then the governors to dinner at his home--but "really to dinner," because he did not discuss politics at either of the two meetings.

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## ARMY DEVELOPS TECHNOLOGY TO MANUFACTURE ANTIAIR MISSILE

## Guided-Missile Development

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Jul 83 p 7

[Text] Rio--The Army Technological Center has already made it feasible to obtain missile teleguidance technology, which will permit production of the first Brazilian land-air (antiair) teleguided missile, a high-level military source revealed yesterday exclusively to O ESTADO and JORNAL DA TARDE.

The feasibility of the technology will enable the army in a short time to get one of the main antiair weapons, the teleguided missile, no longer depending on foreign technology. The Brazilian missile will be similar to the Roland, which is a French-German weapon, but the technology will be that of the Army Technological Center, which designed it.

The research for the missile is being conducted by teams of the Research and Development Institute (IPD), which is connected with the Army Technological Center. The prototype of the teleguided missile may begin to be produced in 1984, perhaps in the first half of the year.

The current phase of the project is one of development of the onboard electronics technology system. The project is classified in the army as strategic and, according to General Ayrton Ribeiro da Silveira, who is a consultant to ordnance companies, "the teleguided missile is one of the vanguard elements in the task of developing the national production of materiel that is being carried out intensively by the administration of Minister Walter Pires."

The army has already obtained, in part, the technology of high-energy missile propellants, which can be used in the teleguided missiles. Research on this project will be pursued, even aiding the development of the land-air missiles.

Among army strategic projects in the area of technology that are being developed in Rio in accordance with the policy of national production adopted by the army are: missile tracking, radar repotentialization [repotencializacao], high-energy propellants and teleguidance of missiles.

## Strengthening of Defense System

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Jul 83 p 6

[Text] Rio--The main reason for activation of the army antiair teleguided missile project was the need to strengthen the Brazilian antiair defense system, which needs to become sufficiently strong so there may be a real condition of defense of the country's sensitive points, a high-level army source said yesterday, commenting on the project reported by O ESTADO and JORNAL DA TARDE.

A general who until recently was head of the Ordnance Department, Benedicto Pinto de Almeida, said that the teleguided missile project is strategic because of the condition it is gradually going to insure the artillery.

"The Brazilian sensitive points such as refineries and oil fields are not half a dozen but a much higher number and that shows the importance of having a strong antiair artillery based on national materiel," observed the general.

In his opinion, the investment in the development of the antiair missile technology is entirely valid. In 1976, the project envisaged an investment of more than 1 billion cruzeiros and, according to an ordnance specialist, General Ayrton Ribeiro da Silveira, "it will have a significant economic return because the weapon is going to be figure in Brazilian exports."

### Old Aspiration

General Ayrton Ribeiro da Silveira, who belonged to the old Technical Research and Training Directorate, agreed with General Benedicto that "strengthening the antiair artillery is an old aspiration of the army that is going to become a reality with the national ordnance."

In the opinion of General Silveira "obtaining the technology of the missile, its launcher and propellant is going to be an important step not only in technological and industrial terms but also from the military viewpoint."

8711

CSO: 3342/149

REPORTAGE ON VARIOUS REMARKS BY PENA GOMEZ

Aid for Capital

Santo Domingo LISTIN DIARIO in Spanish 13 May 83 pp 1, 11

[Article by R. Rodriguez Gomez]

[Text] The syndic of the National District stated yesterday that in the PRD [Dominican Revolutionary Party] "there are no impossibles," and that as yet "the major undertakings of the capital's ayuntamiento have not begun."

Dr Jose Francisco Pena Gomez said that "From now on, we will begin receiving funding from the international solidary community."

The PRD secretary general stated that this international solidarity, together with backing from the government and the work that has been done "will permit us to implement a program of accomplishments that will truly make history in the political annals of the Dominican Republic."

Speaking last night on RADIOTELEVISION DOMINICANA, Pena Gomez said that "There are still those of us political leaders in the world who know how to keep our promises and carry out the projects and ideas we presented to the electorate."

"Without arrogance, but with firm conviction, I can state that, with the program of accomplishments we have drawn up, we will not have misled those members of the PRD who created the slogan: '[With] Pena Gomez [as] syndic, the capital has been saved,'" said the political leader.

"We promised during the electoral campaign," said Pena Gomez, "that where there was trash, we would plant flowers; and we are going to keep that promise, studding the capital city with gardens."

In his opening remarks, Pena Gomez provided some details on his participation in the "Rendezvous in Democratism" held in Madrid, Spain on 27 and 30 April.



Pena Gomez also spoke of the public figures who had taken part in the event.

The political leader said that, upon conclusion of the seminar, he had devoted his efforts to obtaining the cooperation of Spanish institutions in aiding the National District's ayuntamiento.

He said he had held talks with the Compania de Fomento de Obras y Construcciones, which is in charge of the cleanliness of Madrid, Barcelona and Valencia, and of other large Spanish cities.

Pena Gomez said that the Spanish company had reached a tentative agreement with the Dominican capital's ayuntamiento to provide consultative services to local cabildo in the drawing up and implementation of an urban cleanliness and sanitation plan.

The construction official explained that the plan calls for the operation of two garbage dumps. He added that, to train personnel, the Spanish company will be sending its technicians to our country and will be receiving visits by employees and officials of the Urban Cleanliness and Sanitation Service of Santo Domingo at its installations in Madrid and in other countries.

Furthermore--he added--the Spanish company will carry out a study on all the capital's streets, on which it will base its recommendations as to the manner in which the cleanup of our city should be effected.

Pena Gomez stated that the company's proposal--which comes to a total of \$650,000--has already been forwarded to the Spanish government.

"We believe the Spanish government will help us with the financing of this study, which is fundamental to the successful implementation of the program to clean up the syndicate of Santo Domingo," said the political leader and municipal official.

U.S. in C.A.

Santo Domingo LISTIN DIARIO in Spanish 4 Jun 83 p 10

[Article by Saul Pimentel]

[Text] Dr Jose Francisco Pena Gomez, secretary general of the PRD [Dominican Revolutionary Party] and one of the vice presidents of Socialist International, warned yesterday that "A U.S. military intervention in Central America would be catastrophic" for Dominican democracy.

He said that the ongoing civil war in El Salvador and Nicaragua is harmful to the Dominicans as well, as it also is to the Costa Ricans, both of whose countries are Central America's "most stable" democracies.

"Any turmoil in the area hurts us as well," said Pena Gomez during an interview with him in his National District ayuntamiento office.

He said that the Dominicans are interested in seeing a solution to the Central American conflicts "based on mutual concessions."

"We are interested in seeing this situation disappear, and peace strengthened in the region. If there is no peace there, we will not have peace here," he emphasized.

Pena Gomez further said that he has in hand a letter sent to him from Nicaragua by the Sandinist Front, discussing the situation in that country.

He indicated that he will soon disclose the contents of that letter.

Although he refused to discuss anything whatever concerning it in advance of that time, unofficial reports indicate that, in it, the Sandinist Front deals at considerable length with the consequences that could flow from the Nicaraguan conflict.

The group also makes a number of near-term offers that, according to our informants, could contribute to changing the course of events in that Central American country.

It is said, without confirmation, however, that a copy of that letter has remained in the possession of the Spanish prime minister, Felipe Gonzalez, who is planning to meet with Ronald Reagan early next month.

Pena Gomez will also be visiting Washington in the very near future to sign an agreement with the BID [Inter-American Development Bank]. It is being speculated that he might take advantage of his stay in the U.S. capital to dialogue with high level officials of the United States on the Central American situation.

Asked if the Dominican Republic is contemplating taking an active part as a mediator in the Central American conflicts, he replied: "We cannot posit ourselves as mediators. That is the task of the Contadora nations; but if we can be of help we are prepared to help."

He said that the Dominican Republic and Costa Rica are the "most stable" democracies in Central America, but that this fact notwithstanding, "any turmoil in the area also hurts us."

He said that "a U.S. military intervention in Central America would be catastrophic for us as well, since it would be damaging to us."

#### Haitians in Country

Santo Domingo LISTIN DIARIO in Spanish 5 Jun 83 pp 1, 13

[Text] The syndic, Dr Jose Francisco Pena Gomez, asserted yesterday that there are sectors interested in creating a confrontation between Haiti and the Dominican Republic.

Dr Pena Gomez also responded to attacks by former President Joaquin Balaguer, who blames the governments of the PRD [Dominican Revolutionary Party] for an alleged "peaceful invasion of the Dominican Republic by Haitians."

To this, Pena Gomez responded that if there is anyone responsible for that peaceful invasion of the Dominican Republic by Haitians, it is Balaguer himself, who, during his terms of office, entered into several agreements providing for laborers from that country to cut cane in the sugar plantations of the Dominican Republic.

Pena Gomez declared that the intent of these ongoing attacks against the alleged Haitian penetration is to arouse feelings of animosity toward the Haitians now residing in this country.

He believes that the thing to do is to create conditions such that the Haitians will not have to come into the country to cut cane.

The leader of the PRD stated that he has had to deal with a number of attacks against the country, which has been depicted as a nation engaged in slave trade.

He thinks the instigators of this campaign are persons opposed to the PRD government, as well as Haitians opposed to the government of Duvalier.

As for the Haitian penetration of the Dominican Republic, he said the PRD cannot be blamed for it, pointing out that this political organization has been in power only 5 years.

He recalled that the problem of Haitians coming into the country to cut cane is a very old one.

He pointed out that officials of Dr Balaguer's governments are those who have the most experience in the recruiting of Haitians.

He characterized the Haitian influx into the Dominican Republic as alarming, but denied that the PRD can be blamed for it.

Dr Pena Gomez said that an attempt has been made in various countries to portray the Dominican Republic as a nation given to practicing the slave trade.

He has participated in debates in an attempt to cope with the situation, he said, particularly in France.

Pena Gomez believes the PRD will resolve the problem of the Haitians in this country.

Former President Joaquin Balaguer accused the PRD governments of being responsible for the alleged "peaceful invasion" of the Dominican Republic by the Haitians when it decided to reopen the terrestrial border with Haiti.

Pena Gomez, for his part, considers it unfair to want to hold the PRD responsible for the influx of Haitians into the country.

The syndic spoke during the inauguration of construction and repair work on the streets of the 27 February District; the project will cost 300,000 pesos.

Among those attending the inauguration were officials of the cabildo, officials of the government and several dignitaries.

The inauguration took place at 9:30 am on Calle Luis Reyes Acosta in the 27 February District.

9238

CSO: 3248/885

## ANDES EXECUTIVE COUNCIL ISSUES DEMANDS

San Salvador EL MUNDO in Spanish 11 Jul 83 p 31

[Text] The struggle for settlement of the demands made in the teachers' platform of grievances has begun.

Last Wednesday, 6 July, we, the Executive Council of ANDES [National Association of Salvadoran Teachers]-21 June and the heads of the Ministry of Education held the first meeting to discuss the Salvadoran teachers' platform of grievances and other immediate, urgent demands of the teachers. We consider our goals to be constructive and we expect a serious, honest and responsible position on the part of the heads of the Education Ministry, as well as on other levels of government that have a connection with and responsibility for our demands.

We report to the teachers and the people on the results of this meeting:

Our first demand, for a salary increase for all teachers of at least 50 percent of the current salary, was received with the government's position on salary policy. We were informed of a cut in funds for education amounting to 100,000 colones. Nevertheless, they promised to convey our demand to the Ministry of Finance, so that it might consider our position in upholding and requiring this salary increase.

With regard to the problem of medical and hospital services, they accept the main demand for making Teachers Welfare an autonomous entity. They also announced that the 1982 debt has already been paid, and that nothing has been contributed by the Education Ministry for 1983. However, the funds have been appropriated, but the Court of Accounts has not authorized them.

As part of the immediate action, an actuarial study will be made, at the expense of the Education Ministry.

As for the effective, immediate payment of salaries and extra pay, they promised to pay unpaid salaries for 1982 on 11 and 12 July; noting that the problem of class hours has been created because the directors of institutes did not submit the pay-rolls and justification for these class hours until May. They announced that there are funds for payments in July and up until October, and that transfers will be made for payment during the entire year. In the case of directors and assistant directors, a technical study is being made so that they will have an increment in 1984 according to the number of sections.



Their response to our demand for control and reduction of the prices of products and services for popular consumption was that, as a government agency, they could do nothing; but that they would propose it to the ministries and entities that are responsible for this.

They added that no school has been authorized to increase the tuition payments, and that the school texts may be purchased at the Ministry of Education at a 30 percent discount.

Concerning the construction and reconstruction of school infrastructure and supplies of material and equipment, they announced that there are no funds for this purpose; but noted that the construction of four schools, including the Marcelino G. Flamenco and the Jose C. Lopez of Santa Tecla has been approved and projected, as well as that of 16 other schools, and the National Institutes of La Palma and Dulce Nombre, with GOES funds. As for the teaching materials, they said that they must be requested from the Regional Directorates.

With regard to the demand for release of the captured teachers and other political prisoners, and the cessation of repression against teachers, the ministry heads responded that they could do nothing, but that they had taken the matter to the Defense Ministry without receiving a favorable reply, adding that their statements might be censured. They promised to plan legally for the inclusion of the children of assassinated and missing teachers in the medical and hospital services.

On the actual enforcement of the laws governing the ministry, they responded that the Courts of the Teaching and Rating Profession are the only ones that can issue the pertinent verdicts, and that the ministry would uphold those decisions. They added that decisions on other ministerial levels have no validity.

They also declared that the teachers who leave their work for reasons of repression may be reinstated, and that new slots would be opened, but without covering the 4,000 teachers recently graduated.

As for the repeal of Decrees 155, 296, 507 and 544, and their collateral terms, they stated that this was not within their reach, but that they would submit the petition on the pertinent levels.

Regarding our demand for El Salvador University (UES), they replied that they could cooperate in the instances wherein it was requested of them.

The responses in connection with other immediate demands were:

a. Concerning the Dr Santiago I. Barberena Medal for Teaching Merit, won by Dr Melida Anaya Montes, they argued that, for legal reasons, the three heads had signed the resolution not to award it; nevertheless, our association maintains that there was pressure from the government to thwart the teachers' desires.

b. Economic assistance to relatives of teachers assassinated in 1979: The reason for its 10 percent reduction will be reviewed, and from now on, the delivery of that assistance will be effective. Immediate work will be done on the bill to include in that plan assistance to the relatives of teachers hurt by the repression during the years subsequent to 1979.



c. Payment of insurance: All unsettled cases will be dealt with by the legal adviser, Carlos Miranda.

d. Changes in teaching assignments: Work is being done on the changes in assignments, and transfers will be made starting in July. They will be paid for the class hours in arrears after their appointment.

e. Status of outstanding teachers: That of the outstanding ones within the same region will be settled in July; the outstanding ones moving from one region to another will have their status legalized next year; and the status of the outstanding ones in San Salvador will be studied individually, case by case.

In conclusion, we salute the teachers, and urge them to participate in all the action necessary to make our platform of grievances materialize and thereby gain better living conditions.

Long live the Salvadoran teachers! A solution to our demands! Release of the captured teachers and all the political prisoners!

San Salvador, 11 July 1983.

For the dignification of teachers.

Executive Council, ANDES-21 June.

2909  
3248/1098

## SITUS CRITICIZES AGTU, UNIVERSITY SITUATION

San Salvador EL MUNDO in Spanish 16 Jul 83 p 19

[Excerpt] II. The university has been repressed in a ridiculous manner:

The university is still occupied. The reason is not mentioned, but in their statements the military chiefs claim that it is still in their power because it is a guerrilla stronghold. That, in itself, is a silent revelation of the power struggle that exists in the government. We should recall that the Constituent Assembly appointed a committee that would be responsible for its restitution. With everything ready, the draft decree sent to Magana, and the latter's consent, everyone has forgotten the matter. Who said "no"? Is not the Constituent Assembly the state's top-ranking authority? And was it not the people's power that the deputies received on 28 March? Who is giving orders here?

The university's sons are suffering the most atrocious persecution known to any institution, similar to that being suffered by the trade unions; from the assassination of its rector to the disappearance of teachers and students. How much does it cost the people to train a university instructor? It is very expensive. Yet here they assassinate them and force them to lead a clandestine life, to emigrate, to go into exile, etc. Now the university enterprises are taking advantage of this investment and are becoming rich, exploiting the El Salvador University teacher.

The university is suffering economic repression. The university's budget is 52 million colones. Nevertheless, for the semester just ended, it received only 13 million. To begin this one, they have not received anything yet, and they will only be able to cover another month of operation. But the university community managed to have the Court of Accounts and the Finance Ministry approve the sum of 17.2 million colones for this second phase, which, with the subtraction of its income for this term, amounting to 1.2 million colones, leaves it 16 million colones, of which sum 14.7 million colones is allocated to pay salaries alone.

El Salvador University needs its budget in order to continue operating. How long must it wait?

We should recall that the university enjoys constitutional autonomy, a privilege held only by the municipalities. We should also bear in mind that El Salvador University is the people's university. Now that there are enterprises for university instruction, only 10 percent of the requirements of the university population

can be met; primarily because the majority of students are unable to pay high tuition rates.

We should not forget that El Salvador University is a stronghold of democracy. Its open door policy is a sign, which has been maintained even at this time of crisis; in other words, here ability is the only requirement demanded of the student, because an attempt is being made to have equal opportunities for all, in a society wherein the economic inequality is becoming increasingly greater.

The recent process of selecting university authorities has lent unity and continuity to an authentic public service, which has been maintained for 142 years, and which must continue far longer, for the sake of our people's greatness.

III. We university workers are the most stricken sector in this crisis.

At the present time, the university has about 4,000 workers; during normal times, the number is larger. We now stand at less than half the number required to provide for a university population of over 40,000 students; but a large number of students are hoping for a reduction in fees, which are rising with the school building payment.

But the major limitations are the political ones. While the entire government is talking about pacification, there are constant acts of sabotage against the university to prevent it from progressing. And the goal is to kill it with inanition. And when the university comes to a complete standstill, we workers are the ones hurt the most. The instructors work in other universities, or advance in their profession; the students can continue their studies elsewhere with greater sacrifices; but we workers will be unemployed. And the job market is closed. There is no employment, because of the crisis and the war.

We workers think that we must remain united so as to keep the university operating. But have we ever been united? We can only solve the problem of the university workers' unity by the battle for the budget and for the delivery of the physical facilities; and by the defense of the university's interests. Anyone who is not with the university at present is anti-university. Anyone who performs disconnected work will be engaged in a useless task. For the defense of the university, we must present a common front. We workers, teachers and students are united to this end.

What is the explanation for the appearance of the General Association of University Workers (AGTU)? What is the reason for its anti-university positions?

It is a great truth that, to be a reactionary at El Salvador University, one must be an ultra-reactionary, an ultra-rightist; because at the university one feels that he is part of the institution directing the change and the scientific and technical development. This enables him to be a crucible for the political, social and economic critique; because he does not embrace any creed, but studies all of them critically. For this reason, there cannot be any closed minds at the university, and this is why the reactionary walks like an ostrich, with his head buried, and seldom emerges into the light. Hence the importance of the publication of the newspaper EL MUNDO on 12 July of this year wherein, on page 10, in the name of

"General Association of University Workers (AGTU)," they raise a new specter that must be nationalist and spurious. Their slogan: work and integrity, is even more untruthful. That organization does not exist, of course! Its goal is to bring division into the university community! The outcries that occurred with the elections are still clearly in mind. How did the reactionaries infiltrate the university? Well, their opportunities have been splendid: in 1973, with the Standardizing Committee, and in 1976 with CAPUES; and they have not left, they are still there. But, owing to their inability, they say nothing. But when their fat salaries are ready for them, then they jump, kick and roll about. They may be right! Why go out to such a daring arena? We do not think they are right. They attempted to infiltrate in the recent elections for university authorities; and they failed. First, they attempted "standardization" in the style of the Apaneca creation, through distribution. They failed. Then they were unable to commit fraud in the university elections. It is impossible here. And that was the end of their dreams of power.

Moreover, the mechanism of revision of administrative and service personnel has led the university to a reclassification of its workers. What does this mean? Well, that the workers proposed, not a salary increase to cope with the crisis, but rather a reclassification of personnel; because CAPUES brought unfit people to the university with large salaries, and the replacement was considered just. When confronted with the workers' petition, the University Higher Council agreed "to establish a committee to analyze the salary status of the university's administrative and service workers." The committee appoints subcommittees in each unit, which must take as elements to be considered time in service, duties, availability for work, date of last promotion, etc. With this systematized information it was proposed that there be a reclassification and a salary readjustment. This was an issue in abeyance since 1980, because the Junta, in its Decree No 177 of 20 March, had authorized a salary increase for autonomous and semiautonomous institutions, and the university did not make use of that salary increase, which ranged from 45 to 60 colones. Furthermore, we know that Decree 544, ordering a freeze on salaries, is hovering over us. Nevertheless, Decree No 185 of 24 March 1983 states in the last paragraph of Article 4: "The state, the autonomous and semiautonomous government institutions and the municipalities must adopt the necessary measures, when the 1984 budgets are being prepared, to increase the wages and salaries that they pay to their workers." Hence, the Reclassification Committee is merely preparing the indicators for the increment mentioned in Decree No 185 that has been cited.

It is here that the reactionaries at the university have jumped up; we have touched their stomachs, and for that reason they are ranting and exuding gall. But they are dishonest, and are attacking those who are not at all blameworthy, unless it is for having put up with their parasitism for so long. Wherein lies the injustice? No one can take their increase from them if they are capable. There is no malice, because the reclassification will be based upon ability. It does not involve a salary increase, but rather a readjustment and, actually, a proposal to be considered in the 1984 budget. Everything here is clear.

IV. We university workers must remain united. The democratic and progressive sectors at the university are not hiding; here the reactionaries are crouching and disguising themselves, because El Salvador University has been penetrated to the core with "agents who report to other levels." However, they are not good, but rather bad

workers, and good for nothing, who are now coming to light. We, the Trade Union of Salvadoran University Workers (SITUS), know who they are. We shall not mention any names as they did, but henceforth they are to blame for what might happen to the aforementioned comrades in an irresponsible manner.

We issue an appeal to the entire university community to close ranks and to bear in mind the major tasks of the present time:

1. To fight for the turnover of the university campus to the legitimate authorities of El Salvador University;
2. To fight for the approval of the budget and for prompt, effective delivery;
3. To denounce and combat the repression against the university community;
4. To demand respect for the autonomy of El Salvador University;
5. To fight for a substantial increase in the salaries for the workers and for the repeal of Decree 544; and,
6. To fight to obtain the social benefits owed to the workers and their families in their capacity as workers.

Only if united shall we achieve our most heartfelt conquests! A free university for a free people! For the unity of the university workers!

San Salvador, 14 July 1983

Trade Union of Salvadoran University Workers (SITUS)

Note: We invite the workers from the other universities to join in solidarity with the workers of El Salvador University.

2909  
CSO: 3248/1098



## UPD RAISES OBJECTIONS TO PROPOSED CONSTITUTION

San Salvador LA PRENSA GRAFICA in Spanish 15 Jul 83 p 53

[Text] Democratic Popular Unity (UPD) notifies all rural and urban workers, small business owners, professionals, democratic sectors and Salvadoran people as a whole:

I. That, pursuant to its program contents published on 5 February of this year, relating to the activities involving demands to be promoted during 1983, and after reevaluating all the factors which converge in the critical situation that the country is undergoing in the political, economic and social areas, Democratic Popular Unity (UPD) is again fulfilling the responsibility of informing the Salvadoran people of its position in defense of democratic and popular interests, especially insofar as the draft Constitution submitted by the Constituent Assembly is concerned:

II. The "Salvadoran crisis" has been exacerbated by the social irresponsibility of individuals, organizations and institutions, both national and international, fostering fictitious schemes imposed to resolve it. The Peace, and Economic Reactivation Committees, and primarily the so-called Apaneca Pact, which was supposedly an attempt to form a government of unity, with the precedent and existence of a Constituent Assembly which the hopeful people elected only to achieve peace and a return to a state of law, not to "form a government of distribution," and which, in a unique, unusual act, became converted into a Legislative Assembly, without first complying with the people's mandate to issue a Constitution, are examples of such schemes, and the term "participation" continues to be a mere dead letter.

III. After 13 months of work by the Constituent Assembly, which also entail salaries for the public treasury and protection for certain deputies, a draft has been released to the people, without its pertinent statement of reasons, which impedes a real understanding thereof.

IV. That, apart from the fact that Democratic Popular Unity (UPD) will, within a very short time, submit to the Constituent Assembly its document containing comments on the draft, after a first analysis one can note therein the intention of ending the reforms started in accordance with the Armed Forces' Proclamation of 15 October 1979, and in particular, clearly and definitively ending the agrarian reform, according to the contents of Articles 104 and 105 of the Economic System in the Constituent Assembly draft. Insofar as the labor and social security system is concerned, according to the contents of Article 48 of the draft, free trade union



organization of state and agricultural workers is not clearly and expressly included; nor is the trade union jurisdiction raised to constitutional rank, but is, rather, treated as a novelty, something which we have no doubt will be severely challenged. Lifelong status is created for magistrates of the Supreme Court of Justice, precluding the possibility of alternation for the younger generation of lawyers. This shows a lack of concern for the justice system and its proper administration, and reveals enormous concern for having those responsible for implementing it remain in their positions "for life."

The people, like Democratic Popular Unity (UDP), were confident, as an ideal, that the honorable members of the Constituent Assembly, after much study and toil, and after some travel to become apprised of modern constitutional systems, would submit a draft based on the social reality that we Salvadorans are experiencing. But, except for the section relating to the family, which deserves praise for its projection to the child and the fact that it attempts to eliminate inequalities among children, the product of the 13 months is nearly the same brainchild as that of 1962. Also noteworthy is the strong proclivity, doubtless due to ideological motives in the movements existing among the deputies, not to provide for the workers' rights. Their eyes are closed to history, insofar as the peasants are concerned, and there is a deep disdain for public servants in administration.

This general evaluation confirms the opinion of the popular sectors, to the effect that not much has been achieved by the spurious schemes that have been imposed, and that what has been accomplished from March 1982 to date has not really contributed to:

- a. The pacification of the country;
- b. The establishment of a genuine state of law;
- c. The mitigation, if not resolution, of the serious economic crisis;
- d. The balancing of the public treasury;
- e. The formation of a government that would be truly pluralistic, representative, participatory, strong, dynamic and consistent in its decisions; and,
- f. The efficient combating of corruption.

In view of all the foregoing, and upon consulting the Democratic Popular Unity (UDP) rank and file, there has been noted a constant disappointment at these negative results. But if we consider the fact that there is no formula to guarantee the participation of the conflicting sectors, that there is no pacification settlement, and that the battles are more bloody and the death toll for the people is rising, that there is no Constitution discussed by all the country's social sectors, that the formation of the Central Electoral Council has not inspired any confidence, that there is no electoral law to guarantee a democratic, participatory election process, nor is there a reliable electoral registration that would prevent fraud, Democratic Popular Unity (UPD) believes that the elections proposed without those requirements will be a failure, and that they cannot and must not be carried out precipitously; and hence it does not think that they should be held this year.

Consistent with the foregoing, Democratic Popular Unity (UPD) declares:

- a. That it will engage in peaceful action, coordinating efforts with all the country's social sectors desiring the establishment of a real democracy, so that the

reforms started on 15 October 1979 will be preserved and implemented; because it believes that only with social justice can there be peace in the country;

b. That it will strive not to have the political Constitution approved until it has been subjected for discussion to a public forum consisting of all the country's representative sectors;

c. That the elections must be held under suitable conditions, so that they will be really participatory and will address the desires of the people, especially the workers;

d. That, when the elections are held, if it is possible next year, they should be, simultaneously, for president of the republic and vice president, deputies and municipal council members;

e. That it rejects compulsory collegiate bodies as a constitutional principle; and,

f. That it rejects any lifelong position.

Democratic Popular Unity (UPD) reiterates the fact that it is an independent, associative political organization, without any connections or commitments to any political party, and that it rejects very strenuously anything that may be claimed in this regard, considering it mere speculation.

San Salvador, 12 July 1983.

Democratic Popular Unity (UPD), for liberty, democracy, social justice, independence and national sovereignty.

Political Committee

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Orlando Valiente Echeverria, Secretary of Organization-CTS, 1-2-007902

Samuel Maldonado, Secretary of Organization-UCS [Salvadoran Communal Union], 2-3-007341

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2909

CSO: 3248/1098

## OPERATION OF SULFURIC ACID PLANT SEEN AS AID TO INDUSTRY

San Salvador DIARIO LATINO in Spanish 8 Jul 83 pp 2, 14

[Text] Progreso Integrado, S.A. de C.V. and Fertica (El Salvador), S.A., have joined forces through a partnership agreement for the operation of the sulfuric acid plant in the industrial zone of the Port of Acajutla, which is solving the problem of supplying sulfuric acid and oleum permanently to Central America. This will help maintain a constant flow of raw materials to Central American industries such as tanning leather, detergent manufacturing, distilling, chemical manufacturing, metalworking, battery manufacturing, etc. National production of sulfuric acid solves the problem all local businesses that use the product have encountered in obtaining foreign currency to import it, and will also diminish the foreign reserves commitments of the respective central banks of the region.

This production is helping to reactivate the small businesses that had ceased operations for lack of raw materials, and the conditions have been created for the development of new enterprises and projects, such as the production of sodium sulfate and sulfonic acid.

The operation of the sulfuric acid plant is a positive step within the country's industrial reactivation process. It has an installed capacity of 50 metric tons per day, equivalent to 13,200 tons per year, with a demand for 8,000 tons per year in the Central American market.

The project is generating jobs, and will have a positive impact on the country's balance of payments in the area of exports not only in the Central American area, but also in other markets, principally South America. There will also be positive effects in productive sectors such as industry, transportation and services.

In addition, it is generating aggregate value through wages, taxes, interest payments, depreciation, etc.

8926

CSO: 3248/1065

PAISA REQUESTS INCAFE TO LICENSE PRIVATE EXPORTERS

San Salvador DIARIO LATINO in Spanish 8 Jul 83 p 15

[Text] Yesterday the Salvadoran Institutional Authentic Party (PAISA) introduced to the Constitutional Assembly a bill to reform the National Coffee Institute (INCAFE) Act by authorizing coffee exports by recognized private exporters.

The bill was released to the press by the deputies of that party. It was explained that the reforms do not involve eliminating the state's role in coffee exports or sales abroad, because it is recognized that the state plays a key role in the management of a sector that is so essential to the national economy as a whole.

The plan does, however, call for authorizing recognized private exporters, or authorizing certain exporters approved by INCAFE, to undertake sales of coffee abroad, since that institution has not been able to manage that activity, as attested by the million-colon losses it has incurred.

"With our reform bill, we are proposing to INCAFE a logical solution to its problems; furthermore, we emphasize that these are not regressive reforms," stressed Dr Maria Julia Castillo, a PAISA deputy.

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## BRIEFS

**CENTA'S ROLE INCREASED**—It is necessary to stimulate agricultural production in order to reactivate the national economy, through the National Center for Agricultural Technology (CENTA), stated the director and assistant director of that institution, Manuel Aristides Ponce and Hernan Ever Amaya. The officials indicated that the Ministry of Agriculture and Livestock has instructed CENTA to promote production in the reformed and non-reformed sectors and to increase productivity, in order to meet the people's food needs, through research and the transfer of technology commensurate with the country's conditions. It is also supposed to transfer that technology to farmers, who are its direct beneficiaries. They stated that CENTA's role is crucial to national agricultural production, and for this reason they urge everyone to work harder on development programs. In this manner, the goals set forth for the benefit of all Salvadorans will be achieved. [Text] [San Salvador LA PRENSA GRAFICA in Spanish 11 Jul 83 p 2] 8926

**COOPERATIVES ASK FOR CREDIT**—The country's cooperative sector has asked economic authorities for a line of credit of 40 million colons, reported sources at the Commission for the Confederation of Cooperative Associations. This proposal was made during the World Cooperativism Day celebrations at the National Palace of Sports last Sunday. More than 15,000 cooperativists from various sectors of production and services attended the function. The leaders of the National Federation of Transportation Cooperatives of El Salvador (FENACITES), Jose Antonio Moreira and Mauricio Iraheta, asserted that the large attendance of cooperativists "resoundingly contradicts those who believe that cooperativism has no future in El Salvador." Among the officials present at the World Cooperativism Day festivities were: Dr Jose Francisco Guerrero, minister of the presidency; Mario Gonzalez, assistant director general of transportation; and Dr Pablo Mauricio Alvergue, vice-president of the republic. Moreira and Iraheta of FENACITES stated that the idea of creating a National Confederation of Cooperative Associations has been received with great enthusiasm by the many institutions that comprise the Salvadoran cooperative system. [Text] [San Salvador DIARIO LATINO in Spanish 9 Jul 83 p 5] 8926

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## DAILY SUPPORTS CALL FOR DIALOGUE WITH SHINING PATH

Lima EL OBSERVADOR in Spanish 24 Jun 83 p 4

[Commentary by Manuel Tarazona E. from the "Political Observer" column]

[Text] Ultimately the most outstanding political issue in recent times is the proposal made by the attorney general of the nation, Miguel Caveró Equisquiza, to enter in a dialogue with the militant guerrillas of the Peruvian Communist Party, called Shining Path [Sendero Luminoso].

This is not of course the understanding of those who by distorting the constitution and justifying the established government and the widespread injustice and poverty occurring especially in Andean towns and villages, believe that the senderistas must be silenced by fire and sword.

Yet despite the criticisms of the attorney general that only show approval of the system and do not look ahead towards the unknown future, Caveró Equisquiza's position has begun to be consolidated by the calm justification of those who like Eduardo Orrego, for instance, belong to the Peruvian middle class and have no reason for defending the tradition or the continuity of a system which has shown its inability to develop the potentialities of the country and its inhabitants.

If the government were capable of putting an end to the subversive movement, it stands to reason to think it would have done so some time ago. If the government had in-depth knowledge of the Shining Path phenomenon, it surely would have found a way by now of stealing its political and social thunder.

But the plain, pure and simple truth, ladies and gentlemen, is that in the government nobody knows what to do with Shining Path. Nobody knows that it's about. And those who do know refuse to recognize the reality because that would mean toppling down all their projections based on a fictitious reality which is the Peru of supermarkets and boutiques, cities with palatial residences and spacious parks, the exclusive hamlet of managers and executives.

But this is clearly not the national reality.

The national reality, the reality for the great national majority is something else and very different. The reality is the helplessness of Ayacucho and its abject poverty; the shortages of Andahuaylas, the floods and the drought, in short what affects or imperils the 18 million Peruvians.

And it seems to be that by thinking of this festering reality the attorney general of the nation has sensibly suggested a means of putting an end to the fratricidal conflict with its useless bloodshed. Judging by statistics, it is quite clear that most of those killed are innocent, either victims of Shining Path or victims of indiscriminate antisubversive action.

Who perchance can clearly identify Senderistas or simple peasants? Just who is it who says those killed were victims of the Shining Path? What proof is there that the authorities and peasants who die after the curfew are victims of the Shining Path?

When the problem is posed this way, two matters appear to be extremely clear; the fratricidal war has escalated and so far there has been no arrest of any front line leaders of Shining Path who can state clearly what their actions were and what actions only were attributed to them by the apparatus of repression.

This easy to check reality must not be seen as an endorsement of Shining Path; it should be understood as the attempt to clarify a situation so real and so threatening that on more than one occasion it has left Lima paralyzed and in darkness, not to speak of similar operations which recur most of all in Ayacucho like something perfectly ordinary.

But there is more. Those who oppose dialogue and seek to deny the attorney general's authority by playing him against the executive who appoints him--and indeed does appoint him but he is independent and can be removed only the way the supreme judges are, that is, immediately after a constitutional indictment--perhaps have contributed one idea and one only to the overthrow of subversion and the pacification of the country.

The only thing they have done so far, as if Ayacucho were another country, is to inform the police and also the armed forces which, as we all know, only have arguments and lethal weapons with which to try to fight Shining Path.

Maybe some critic of the attorney general or some of those who oppose dialogue are brave enough to recognize--many don't even know, really, what is at issue--the appalling poverty, the helplessness of Ayacucho and of many of the Indian departments.

Would the theoreticians of income distribution perhaps venture to say that the best thing for Ayacucho and those shockingly destitute areas is indiscriminate repression, extermination of the peasants under pretext of apprehending partisans of Shining Path?

So it is not a matter of passing unilateral and short-sighted judgment on the attorney general's courageous, examined attitude. It should be supported. And this, fortunately, is now occurring.

Now, the calls for individual support to attorney general Cavero Equisquiza should be followed by institutional pronouncements. What, for instance, does the School of Lawyers say? What will the other three professional schools, the unions and businessmen and merchants organizations say?

Finally, perhaps it has not always been preferable to foresee than to mourn.

**END OF**

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